

**Chicago Community Land Trust  
Board of Directors Meeting  
August 2, 2018 Minutes**

Time: 9:00 a.m.      Location: City Hall, 121 N. LaSalle, 10<sup>th</sup> Floor, Conference Room 1006-A

Directors Present:    Bruce Gottschall, Patricia Abrams, Joy Aruguete, Guacolda Reyes, Rob McGee, Anthony Simpkins; and on the phone Calvin Holmes, Ed Jacob, Ofelia Navarro, Jeff Wright, Tim Hughes, Eva Brown

Directors Not Present: Rosanna Marquez, Joel Bookman, Pam Gecan, William Towns

Others Present: *CCLT Staff:* Jim Wheaton

<b>Welcome, Approval of Agenda and Minutes, President's Report</b>	<p>The meeting was called to order by Bruce Gottschall at 9:07 am. Bruce reviewed the Agenda and there were no additions. The Minutes of the June 7, 2018 were reviewed. On a Motion to Approve by Joy Aruguete and 2<sup>nd</sup> by Rob McGee, the Minutes were approved.</p> <p>Bruce Gottschall announced that re-appointments to the Board of Directors and the new recommendations of Kristen Faust, Andrew Geer and Jennifer Parks had been submitted for review by the Mayor's office prior to presentation to the City Council for their approval.</p>
<b>Executive Director's Report</b>	<p>Jim Wheaton provided a memo regarding a request from a CCLT owner to adjust the maximum resale price for his unit at 235 W. Van Buren. He has put the unit on the market and the maximum resale price calculated according to the terms of the Restrictive Covenant is \$150,776. Because of the original appraised value (in 2009) and the original affordable sales price, the owner was to receive a 20% share of the appreciation. However, there was only a \$10,000 increase in the appraised value from the initial purchase in 2009 and the resale in 2018. The owner is asking that the Board reduce his 'initial fair market value' to be aligned with other sales at the time of his purchase. The owner cited one unit in particular that appraised at \$175,000 in 2010, compared to his appraised value of \$210,000 in 2009.</p> <p>Jim noted that there were six CCLT units in this building that sold in 2009, with appraised values of \$205,000, \$212,000, \$220,000, \$227,000, \$235,000 and \$210,000 (the unit in question), for an average appraised value of \$218,000.</p> <p>Additionally, there were six sales in 2010 with appraised values of \$175,000, \$190,000 (2 units), \$200,000, \$205,000 and \$206,000, for an average appraised value of \$194,000. The average appraised market value of all units sold in 2009—2010 at 235 W. Van Buren was \$206,250. For recent resales, the range in the appraised values was \$215,000 to \$230,000 – for five resales in 2017. The appraised value for resale on the subject unit was \$220,000.</p> <p>The Board reiterated that the purpose of the CCLT is to ensure long-term affordability for income-eligible buyers and not to</p>

benchmark units to the highest appraised value or highest sales price. The CCLT has followed the terms of each Restrictive Covenant in setting other maximum resale prices, as it has in the case of this subject property. The affordable maximum resale prices for the five units that sold in 2017 ranged from \$148,000 to \$162,000, with an average maximum resale price of \$153,521. The Board stated that the CCLT does not guarantee that unit owners will be protected from the fluctuations in the real estate market and particularly in the fluctuations that occurred in 2009-2017. The Board felt that there was no justification for granting the owner's appeal. On a motion by Jeff Wright and second by Guacolda Reyes, the Board rejected the request for a modification of the maximum resale price and original appraised value. The motion passed.

**Pipeline/Activity Report:** Jim Wheaton distributed a Pipeline report on Sales, Resales, and ARO projects.

**111 S. Peoria:** This is an 'Opt-in' development and there are 8 CCLT units in this 79-unit luxury condo building under construction. The CCLT units are all 1 BR and sold for \$192,000. All units are under contract and closings are underway, with all of the units projected to close in this quarter. The developer has agreed to hold the Condo Association fees for the CCLT units at \$100/month.

**2614 W. Fullerton:** This 2 BR/2 BA unit closed in July. Buyer was selected at a lottery and is 76% AMI.

**Resale units:** There are presently four resale units, two of which are under contract. Three are located in the Rainbo Village/Kinetic Lofts condominium at 4800 N. Clark and are 2 BR/2 BA units. Sales prices range from \$146,500 to \$187,000. The 4<sup>th</sup> unit is the 235 W. Van Buren unit that was the subject of earlier discussion.

**1735 N. Sawyer:** This 'Opt-in' unit was acquired by NHS-RC under the TBI program in 2016, which limits the resale to a household at or below 80% AMI. It is a small frame 2-unit (3 BR & 1 BR). Jim met with NHS-RC staff and inspected the property and felt that it could be viable as a 2-unit. He is proposing that the unit be turned over to the CCLT to be rehabbed and sold. Bruce Gottschall contacted Kristin Faust at NHS regarding their intentions.

**Oakley Square (2239 W Coulter):** There will be one ARO/CCLT unit in this 34-unit development and it will be a 3 BR townhome with a sales price of \$228,000. CCLT staff met with the developer and his sales staff in November. The CCLT unit will be the Model Home and any upgrades placed in the unit will be included to the CCLT buyer for the stated sales price.

**Staffing update:** The Outreach Coordinator position is as yet unfilled. The position is being re-posted.

**2824 W. Van Buren:** Jim Wheaton presented a memo regarding a developer's proposal to build 10 'Off-site' CCLT units at 2824 W. Van Buren. The development that triggered the ARO requirements is a 48-unit townhome development at 1328-1372 W. Walton. The proposed units are all 3 BR, 1,400-1,667 square feet, with 1 parking space. The Commissioner is asking for feedback regarding this proposal as the developer was seeking a 'hardship exception'.

The Board discussed this at length, stating that the proposed exception is contrary to the intent and purpose of the ARO and the Pilot Programs that have been established. The Board was concerned that this could set a precedent for 'dumping' units in LMI

	<p>neighborhoods, while at the same time noting that there is a need to encourage new development in LMI neighborhoods. This site is more than 2 miles from the original development, it concentrates LMI buyers in a condominium, and the location doesn't offer any amenities. The Board encouraged the Commissioner to not make an exception for this development and to negotiate something better.</p>	
<p><b>Policy &amp; Projects; Finance ; and HR&amp;M Committee reports</b></p>	<p>Anthony Simpkins spoke about how the CCLT fits into the City's Five-Year Housing Plan. He noted in particular that there is interest in doing some Pilot programs in neighborhoods experiencing the challenges of gentrification, appreciating property values, and new property tax valuations. He talked about Little Village, Pilsen, Hermosa, and Avondale as neighborhoods that are currently feeling these pressures.</p> <p>Given that the 2019 budget has not yet been approved, Anthony encouraged the Board to pursue an 'Opt-In' program that could be implemented in some target neighborhoods quickly. This 'Opt-In' alternative was included in the CCLT White Paper developed by the Policy &amp; Projects Committee and submitted to the City as input for the Five-Year Housing Plan. Anthony also reported that he had met with the incoming Assessor already regarding the property tax issue and its impact on affordable units.</p> <p>Joy Aruguete then presented the Projects &amp; Policy Committee report, focusing on the 'White Paper' that the Committee had developed and the progress of the City's Five-Year Housing Plan.</p> <p>There was a lot of discussion about the content of the White Paper and how CCLT needs to position itself to take advantage of opportunities when capital funding is available. One of the priorities would be to acquire properties and/or land that could either be resold as affordable units or used for affordable new development. The Board felt that there should be some targeting since the impact would be diminished if there were a scattershot approach. There was discussion about incentives for owners to "Opt-In" – such as funding for energy efficiency improvements, minor repairs, or mortgage balance write-downs. Jim Wheaton is to contact Rob Rose at the Cook County Land Bank to talk about possibilities between the CCLT and the Land Bank.</p> <p>The Policy &amp; Projects Committee will look at next steps at their next meeting. Input from all Board members is welcome.</p> <p>There were no formal reports from either the Finance Committee or the Homebuyer Resource &amp; Marketing Committee. Calvin Holmes noted that the 2017 Audit was underway.</p>	
<p><b>Next Meeting and Adjournment</b></p>	<p>Bruce reminded everyone that the next Board meeting will be <b>Thursday, October 4, 2018 at 9 AM in Room 1003-A.</b></p> <p>There being no further business, A motion to adjourn was passed unanimously at 10:33 AM.</p>	